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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:				NO.	
C/SR 1 DOB		1111		DATE 25 May 54	
TO	ROOM NO	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
1. SR/COP					[ ] your attention to par. 7. "F1
2. SR/C					[ ] recommendations of memo dtd 21 May.
3.					[ ] Am approved
4. SR/DOB	9 JUN	10 1954			[ ] F1
5.	JUN				[ ] Projects Branch is holding this memo for SL rebuttal now.
6.					[ ]
7.					[ ]
8.					[ ]
9.					[ ]
10.					[ ]
11.					[ ] over str.
12.					
13.					
14.					
15.					

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES METHOD EXEMPTION 3B20  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

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C O P Y

21 May 1954

MEMORANDUM FOR: Chief, Foreign Intelligence  
SUBJECT: Project AEACRE (Renewal and Amendment)

1. PURPOSE: Project AEACRE provides SR Division with a Domestic Operations Base (DOB) in the US, to support operations directed against the USSR. The specific activities of DOB, as proposed by SR Division, are: (a) to maintain and operate a training program for agents who will penetrate the USSR, or who will support such penetrations; (b) to maintain facilities for the spotting and assessing of REDSOX agents in the Western Hemisphere; and (c) to maintain a Soviet Area Orientation Program (SAOP) for selected CIA staff employees, until this program can be assumed by the Office of Training.
2. PERSONNEL, EQUIPMENT AND COVER: The SR Division is requesting a T/O with substantially the same number of slots (60) as at present, and provision for the continued employment of 12 covert associate/instructors, 2 contract agent/spotters in the US and 2 in South America, 1 contract agent/cutout in South America, 6 contract employee/safehousekeeper couples, 1 contract employee/safehousekeeper, and one part-time charwoman. In addition, authority is requested for the hiring of three contract clerical assistant/translators. The DOB consists of one headquarters, building, one safe office for covert associates, [ ] and ten rented safehouses (only nine to be in use at once during normal times.) The safehouses and covert associates are under various covers as circumstances dictate. Authority is requested for 23 vehicles (as compared to 20 vehicles in the past approval period.)
3. METHOD OF OPERATING:
  - a. Spotting and Assessing: No spotting or assessing is conducted in Canada, and CSN 10-6 limits the extent of this work in the US. Exploratory studies of spotting and assessing possibilities in Latin America have shown good potential, and two contract spotters have been hired (one in Brazil and one in Argentina). After a candidate is spotted, a DOB case officer from the assessment team usually visits the candidate to obtain further data. If the man still shows potential, he is then brought to Washington for a full assessment by DOB case officers and members of the Medical, Training and Security Offices.

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- b. Training: After an agent candidate is spotted and assessed by DOB or, in a few cases, by CSOB in Munich, and accepted by the appropriate SR area branch for use in an approved project, movement to DOB for training is authorized by SR/COP. The agent, using an appropriate cover, is placed in a safehouse and from that time on is under 24-hour surveillance. Assessment continues throughout the training period.
- c. SAOP: DOB has planned a four month course for 6 to 10 students, to begin in September 1954. Three qualified contract instructors have been selected to teach the program, which is designed to orient selected staff employees in the environmental reality of the USSR and equip them to apply this knowledge to REDSOX planning. A recent decision to transfer this program to OTR takes into account OTR's present inability to assume the program, and hence, SAOP will remain in DOB until OTR can assume it. In the interim, staff employee training requirements will be handled by SAOP only if OTR cannot fulfill them. SAOP will operate [ ]
4. ACCOMPLISHMENTS: In the two year period that it has been active, DOB has become the principal agent training center for SR Division. The necessary personnel and facilities have largely been obtained, and the level of staff employees is approaching that necessary to fulfill properly the objectives of DOB. Up to 1 February 1954, 41 agents had been accepted for training. Of these, 23 were trained, 11 were withdrawn during training, and 7 were still in training. In addition, DOB assisted in 7 holding or disposal cases, and established tradecraft, Soviet Reality, airborne, maritime and survival training programs. DOB has served as a training ground for SR and CIA staff officers, and has supported the Clandestine Services in a number of other miscellaneous ways.
5. ADMINISTRATIVE HISTORY: Project AEACRE was first approved by A/AD/SO on 22 January 1952, for a total cost of [ ] The first approval, covering the period ending 30 June 1952, established DOB on a much smaller scale than its present size but with much the same objectives. DOB was set up to overcome growing difficulties in training REDSOX agents in Germany, Japan and Turkey, and to adjust to the migration of the potential agent pool to the Western Hemisphere. On 2 April 1952, AD/SO, AD/PC and DD/P approved renewal of AEACRE for fiscal year 1953, as a joint OSO/OPC activity. The renewal included authorization for maximum expenses of [ ] to be shared equally by OSO and OPC. On 8 May 1952, DD/P re-approved AEACRE for fiscal year 1953 at a total authorized cost of [ ] which included \$32,340 for the Office of Communications, [ ] for the period 1 July-31 December 1952, with [ ] un-marked for the balance of fiscal year 1953, subject to further PRC review. While such review was not made, funds were allotted for the full fiscal year 1953 by OSO [ ] and by OPC [ ] Disbursements for fiscal year 1953, exclusive [ ]

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of the Office of Communications, totalled [ ] On 30 June 1953, SR Division presented to C/FI and PRD a renewal request which included a proposed expenditure of [ ] for fiscal year 1954. The sharp increase in budgetary requirements occasioned a delay in approval and resulted in review of DOB by the Inspection and Review Staff (a copy of the I & R report, and a statement of DOB's fulfillment of I & R's recommendations, are attached hereto). DOB, therefore, has been active during most of fiscal year 1954 without formal approval, but with PRD approval in principle as an SR support facility.

6. APPROVAL PERIOD AND COST: Retroactive renewal is requested for the period 1 July 1953 through 30 June 1954, for [ ] in order to avoid what is considered unnecessary paper work in requesting another renewal for fiscal year 1955, renewal is concurrently requested for the period 1 July 1954 through 30 June 1955, also for [ ]. These figures, totalling [ ] for the two years, are broken down for each year as follows: compensation, [ ] DOB does not have to pay for the 14 military personnel detailed to DOB, or for the guards); travel, \$45,000; equipment, \$31,460 (the use of military equipment and installations is saving a considerable expenditure in excess of this amount); supplies and material, \$18,490; real estate, \$45,721; automotive \$11,800; medical, \$2,000; station mess, \$12,000; recreation, \$2,400; contingency for holding, disposal, and other emergencies, \$7,500. (Note: PP and PM interest in DOB has been withdrawn, and approval of the above funds is requested from the DD/P-SR-FI budget for fiscal years 1954 and 1955, subject to the availability of sufficient funds in fiscal year 1955.)

7. FI STAFF RECOMMENDATIONS:

- a. C/FI/OPS concurs and recommends: (1) that DOB, to the limits of its ability and on a trial basis, undertake the training of certain Caucasian "black" penetration agents, with REDSOX training taking precedence, and (2) that DOB increase its training capacity by getting out of the holding and disposal field.
- b. C/STC, STC/SPB, and FI/Training Officer concur with the recommendations of C/FI/OPS.

Approved: \_\_\_\_\_  
Chief, FI

Chief/PLANS/FI

Date

FI Staff Concurrences:

C/STC	-S
STC/SPB	-S
C/FI/Ops	-S
FI/Try.	-S

Attachment:

Project Outline AEACRE

FI/PLANS/Projects [ ] cc [ ] PLANS/Proj.  
cc: FI/OPS STC/SPB FI/Try. C/FI  
I&F [ ] for Vital Records

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C O P Y

18 May 1954

MEMORANDUM FOR: Chief, PLANS/FI

SUBJECT: Project AEACRE

1. On 10 May 1954, a meeting was held between representatives of the FI Staffs, I&R, and DOB, for the following purposes: (a) to determine the extent to which SR/DOB has met the recommendations of I&R, and (b) to iron out any remaining problems with respect to AEACRE insofar as the SR Division, FI Staffs, or I&R are concerned. Present at the meeting were: C/FI/Plans; C/PLANS/Projects; C/FI/OPS; FI/OPS; FI/Training; FI/STC/SPB; I & R Staff; C/DOB; and DOB.

2. The I & R general recommendations were discussed, in turn. A copy of the I & R recommendations is attached hereto for reference purposes. However, in each case where a specific answer is given below we have quoted pertinent parts of the recommendation to which it refers:

a. I & R Recommendation:

That DOB engage in the training in the United States of "Black" agents for the REDSOX program only.

DOB Answer:

DOB is now concentrating on REDSOX and REDSOX support training, but with some peripheral training as necessary. [ ] pointed out that DOB has undertaken some other training activities, notably REDSKIN, in order to fill a positive need which could not be filled anywhere else. The exact future status of DOB's training activities is still under discussion. During fiscal year 1954, up to 10 May 1954, the following was accomplished: four penetration agents were fully trained; four principal agents were fully trained; one principal agent was partially trained and withdrawn; three penetration agents were partially trained and withdrawn; two agents were held for disposal; one agent was held for another Division; seven bodies were safehoused. At the present moment, (10 May 1954), four penetration agents are still in training, and one is being held for disposal.

Chief, FI/PLANS stated a criterion that FI would like to have accepted by the various interested parties: If DOB can fill a training need outside REDSOX, the request for fulfillment of this need must be processed through the proper Agency training channels, and may not be filled as a result of direct negotiation between DOB and an Area Branch or Division.

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Chief. FI/OPS asked how DOB happened to get into the disposal field. [ ] replied that DOB did so to fill a gap in facilities, and the DOB is not eager to continue in the disposal field. [ ] stated that, while only eleven of the twenty-seven agents handled by DOB in fiscal year 1954 have been REDSOX penetration, these eleven required two-thirds of the DOB total effort. DOB has found that six months is required to train each REDSOX agent as opposed to 2.5 months for training non-REDSOX personnel.

b. I & R Recommendation:

That DOB immediately cease the training of REDSKIN principal agent personnel.

DOB Answer:

[ ] stated that this recommendation is being fulfilled by DOB.

c. I & R Recommendation:

That the familiarization of foreign IS officials be assumed by OTR with assistance or guidance from SR/DOB as needed.

DOB Answer:

[ ] stated that DOB has tried to stay away from the familiarization program but that in practice it is not always possible to do so. He mentioned specifically SAUCEPAN/Li, a Norwegian IS official who is presently assisting at DOB with REDSOX training, and who is receiving familiarization concurrently.

d. I & R Recommendation:

That the spotting and assessment program of DOB be approved without provision for language professional personnel such as psychologists, psychiatrists and medical personnel.

DOB Answer:

[ ] stated that there are now none of these personnel at DOB and that there will be none. DOB is meeting its requirements by using personnel of the Medical Office and the Office of Training.

e. I & R Recommendation:

That direct liaison be established between DOB and the Office of Training for the purpose of exchanging current training guides, aids and material.

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DOB Answer:

[ ] stated that good liaison now exists, and DOB extended invitations to OTR personnel to visit DOB. Chief, PI/OPS suggested that DOB undertake a familiarization program for one or more of the OTR personnel with whom they are in close contact.

[ ] agreed to do this.

f. I & R Recommendation:

That DOB establish direct liaison with RQM/OIS, to obtain guidance on research already in existence, and to obtain research titles for assignment to DOB covert associates during slack periods.

DOB Answer:

SR Division has dissented to this recommendation, and the dissent has been agreed to by Chief, I & R.

g. I & R Recommendation:

That the office of the Chief of DOB be held by a Senior Career Agency case officer.

DOB Answer:

(It was agreed by all present that action on this question was outside the scope of the meeting.)

h. I & R Recommendation:

That DOB be granted authority and responsibility to direct, administer and execute its REDSOX program with guidance from SR/COP/

DOB Answer:

[ ] stated that great strides have been made toward DOB's assumption of this authority and responsibility. DOB is already evaluating the case officers temporarily assigned to the base.

i. I & R Recommendation:

That SAOP be assumed by the Office of Training.

DOB Answer:

[ ] stated that OTR will assume the SAOP program slowly, as OTR expands. In the meantime requirements for SAOP type training will be fulfilled by DOB only if OTR cannot handle them.

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j. I & R Recommendation:

That the proposed budgetary and personnel request be revised and reduced, and not exceed the present personnel complement, minus slots presently occupied by SAOP personnel.

DOB Answer:

[ ] stated that the staff personnel T/O now being requested is sixty-four (which includes three additional persons for SAOP, one assistant supply officer, three liaison personnel previously carried on the SR headquarters T/O.) Apart from these unavoidable conditions, DOB has stayed within the budgetary, personnel and equipment ceilings mentioned by I & R.

3. It was agreed by all those present that the ninety-five specific I & R Recommendations (pages 5 through 9 of the section entitled "Conclusions and Recommendations", I & R report on DOB, 2 October 1953) would not be dealt with at the meeting, but would be discussed later by [ ] and [ ] of DOB, and members of the FI/PLANS/Projects Branch. These discussions are dealt with in attachment A of this memorandum.

4. Chief/FI/OPS raised the question of using DOB for the training of "black" penetration agents for other Divisions of the Clandestine Services. [ ] stated that this idea arose from the Inspector General's desire for economy and is beyond the jurisdiction of the SR Division. In Colonel Urban's opinion, however, it would not be practical to use DOB in this manner since it would unduly tie up DOB's REDSOX facilities.

5. In answer to a question from Chief/FI/OPS, [ ] noted that DOB presently has a maximum training capacity of twenty-eight REDSOX agents a year. This figure, however, can only be attained if the agent training is perfectly phased. The cost of training each agent for six months is approximately \$12,000, not including the cost of staff personnel and of course the cost of an assessment program and other support functions.

6. Chief/FI/OPS asked how many REDSOX agents are likely to be presented to DOB for training in Fiscal Year 1955. [ ] estimated that the figure would be around twelve. Chief/FI/OPS then asked why DOB could not make use of its space facilities to train thirty-two other Caucasian penetration agents from other Divisions of the Clandestine Services. Chief/FI/OPS based his figure, thirty-two, on the assumption that the training of a non-REDSOX "black" agent would take one-half the effort required to train a REDSOX agent. [ ] replied that DOB would have to increase its staff considerably to meet such requirements. Chief/FI/OPS agreed with this but proposed that DOB be made the central training facility in the United States for all Caucasian "black" penetration agents. When [ ] and [ ] stated that in this case DOB would probably have to move and

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find another cover. [ ] disagreed, stating that they might not have to move or change the cover and that the question would be worth looking into.

7. [ ] then made a parallel recommendation: that DOB get out of the holding and disposal field, thus increasing its training facilities.

8. Chief/FI/PLANS agreed with the recommendations of Chief/FI/OPS that DOB continue to support other Divisions, and that the entire matter be investigated. [ ] stated that the "integrated base" idea has already been investigated and has been discarded. (Note: Page 2, para. d, of the I&R report covering memorandum dated 2 October 1953, deals with the integrated base idea. In this paragraph, I & R mentions the possibility of using DOB as an integrated base but discards the idea on the grounds of its security hazards.) It was agreed, however, by C/FI/PLANS, C/FI/OPS, and C/DOB that the possibility of using DOB for all "black" penetration agent training would be investigated. The next Caucasian penetration agent candidate who comes due for training will be placed in DOB.

9. It was decided that SR/DOB would request renewal of AEACRE at this time for fiscal year 1955. [ ] stated that he would immediately initiate a renewal request covering Fiscal Year 1955 and that his estimated budgetary requirements would be the same [ ] as those of fiscal year 1954. It was also tentatively agreed by C/FI/PLANS, C/FI/OPS and that, to the limit of its capacity, DOB would undertake the training of "black" penetration agents for other Divisions, with REDSOX training taking precedence. This agreement is subject to later decisions on the matter of using DOB as an integrated base.

Chief, FI/PLANS/Projects Branch

Attachment: "A"

FI/PLANS/Projects [ ] mcc

Distribution:

Original	C/FI/PLANS	Inspection & Review	[ ]
FI/OPS		RI for Vital Records	[ ]
STC/SPB		C/FI	
FI/Trg.		PLANS/Projects	

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The following represents the manner in which SR/DOB has met or dissented the Specific recommendations by I & R, which appear in the section entitled Conclusions and Recommendations, I & R report on the DOB, 2 October 1953, pages 5 through 9. No mention is made below of those recommendations which DOB has fully accepted and is acting upon. Only those with which DOB takes exception are mentioned. All references are to the I & R report.

Page 5 (a) I & R recommended that covert associates under contract to other elements of the Agency not be intermingled with personnel under contract to DOB, or housed in the same facility; and that additional covert associates now assigned to C3OB and such of its complexes as NTS, not be transferred to DOB until complete inquiry is made concerning recent KIS penetrations, and then only by specific justification for additional slots through the usual project procedure.

DOB has implemented both these recommendations as recommended, but this matter is mentioned here since FI/PLANS/Projects Branch wishes to make a suggestion: "that the Security Office make its facilities available to C/DOB, for the purpose of conducting CE investigations within DOB, as a precautionary measure." C/DOB is in complete agreement with this suggestion.

Page 6 (f) The I & R recommendations dealing with physical security, safehouses, cover, and personnel are set out in detail on pages 31 through 42 of the I & R report.

DOB accepts these recommendations, and has put them into effect, with the following exceptions:

Page 32, (f) and (f-1); SR/DOB disagrees and will present a written dissent, through C/SR to C/I & R, if I & R requests one. The dissent is due to the fact that SR believes it necessary to retain certain weapons in DOB for purposes of familiarization and dispatch - not for firing purposes.

Page 33, (h-1); DOB agrees in principle but registers a partial dissent since it is impractical to maintain a complete security history of each vehicle. DOB does, however, keep current checks on vehicle security, and makes frequent changes of registrations. (Note by FI/PLANS/Projects: According to

[ ] potential security hazard arises from the fact that DOB uses several vehicles of similar types or makes. These are, for example, 7 station wagons. About one half of the cars have been in use for two years at DOB, and there are no plans to replace the cars now in use. FI/PLANS/Projects has recommended to [ ] and he has agreed, that SR initiate an amendment of AEACRE, during fiscal year 1955, requesting authorization for funds to be used in changing DOB cars at intervals. It is probable that \$3,000 per annum would cover the necessary vehicle changes.)

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Pages 34 through 39: DOB accepts all these recommendations on the security of safehouses, and has complied with them all, with the exception of the recommendation on Page 39 - that a safehouse be disposed of immediately a dispatched agent who has trained there reaches his target, or becomes a disposal case under uncontrolled conditions. DOB dissents because, due to the shortage of suitable safehouses, they would like to be able to use these houses under emergency conditions if no other houses are available. Naturally, DOB would take into account the security aspects involved.

Page 40: the recommendation that a letter of reprimand be directed to a former DOB staff officer was dissented to by SR, and waived by memorandum from C/SR to C/I & R, concurred in by C/FI.

Page 42, V - Cover: DOB dissents in the recommendation that the general cover for DOB is blown. DOB maintains that the cover for DOB headquarters is not blown, that the cover can be changed when and if it is blown, and that to change the cover at this time would gain a very small advantage at a large cost.

Page 6 (g) I & R recommended that the general recommendations of the auditor be adopted in toto, with certain revisions.

DOB dissents to the recommendation that [ ] be recalled and assigned to accounting for \$13,277.31. [ ] pointed out that most of the amount has been accounted for, and that [ ] has turned in his accounting to DD/P-ADMIN, which office agreed to accept it.

DOB has registered partial dissents to some of the other recommendations in this section, with concurrence of the CIA Auditor-in-Chief; further discussions are in progress.

(FI/PLANS/Projects note: The re-audit of DOB, recommended by I & R for six months after their first report, has not been conducted.)

Page 7 (m) I & R recommended that DOB keep daily logs of events at safehouses, weekly progress reports, and a careful formal record of training pseudonyms; that these records be forwarded to the appropriate SR area branch after completion of training cycle, and then destroyed after a determination that the agent case file is complete.

DOB registers a partial dissent, and would like to dispose of these records six months after completion of the training cycle, disposal to be in RI Archives.

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I & R recommended, in section 6 of this paragraph, that agents be under contract during training, irrespective of determination of final mission.

DOB cannot control these contractual relationships, which are normally made prior to arrival of the agents at DOB.

Page 9 (r) I & R recommended that C/DOB be held responsible for more efficient use of personnel.

DOB will comply insofar as possible, but wishes to record the fact that the practical operation of such an installation as DOB often makes it mandatory that some personnel do jobs which are not included in their job descriptions.

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